



U.S. Department of Justice

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EVENT: Sentencing

Defendant: Ilene Ruth Moses

**Las Vegas Woman Sentenced to 210 months in Prison
and \$15 Million Restitution for Fraud, and Money Laundering**

United States Attorney Stephen J. Murphy announced that Ilene Ruth Moses, a resident of Las Vegas, Nevada, was sentenced to 210 months in prison and ordered to pay in excess of \$15 million in restitution resulting from her conviction earlier this year on various violations of federal criminal law, including wire fraud, mail fraud, bank fraud, money laundering, conspiracy to launder money, bankruptcy fraud, perjury, and making false statements to the Federal Bureau of Investigation. Mr. Murphy was joined in the announcement by Andrew G. Arena, Special Agent in Charge, Federal Bureau of Investigation.

Moses was sentenced by Senior United States District Judge Patrick J. Duggan in Detroit, Michigan.

Ilene Ruth Moses, aged 70, operated a woman's clothing manufacturing and sales business in Detroit in the 1980s and was celebrated as one of the 10 Michiganders of the year by the Detroit News in 1984 for her apparent business acumen and financial success. She was also honored by the United Nations for her seeming business success.

The evidence presented at the four week jury trial established that Ilene Moses, formerly of Grosse Pointe and owner of SMS, Inc. of Detroit, defrauded two banks, Michigan National Bank and Swiss Cantobank International, out of approximately \$26 million between 1983 and 1988. Afterwards, Ilene Moses lulled the banks into believing that she was the victim of the secret cartel with whom she had conducted her international business and was able to avoid the discovery of her fraud by the FBI until 1992. Mrs. Moses and her co-defendants were able to persuade a Swiss auditing firm that she really had these contacts to the secret cartel and in that way convinced the auditing firm to provide confirmation of millions of dollars of business supposedly being conducted between Mrs. Moses' companies and the cartel, which resulted in millions of dollars supposedly owed to Mrs. Moses' companies. These assets were then included in SMS's audited financial statements, which enabled Moses to obtain her bank loans. The fraud involved the use of a number of shell companies in Europe and Hong Kong, and a system of phony paperwork which helped make Moses' business look real to her auditors and bankers.

United States Attorney Murphy said, "This 210-month sentence shows how even the highest flying and most sophisticated fraud artists will eventually crash to earth and can be made to face the consequences of their crimes. It took dogged determination, but the FBI and the dedicated prosecutors from this office would not be deterred until justice was done. Their years of effort have succeeded in assuring that this very complex scheme could be unraveled and the perpetrator punished. We hope this will bring some sense of satisfaction to the many victims of her fraud."

The investigation took a number of years and involved the gathering of evidence from numerous countries and the deposing of witnesses in a number of countries including Switzerland, England, Hong Kong, and the Cayman Islands with the Assistance of the Office of International Affairs in the Criminal Division of the Department of Justice and the FBI's Legat Officers located in a number of foreign countries.

The case was investigated by Special Agents of the Federal Bureau of Investigation. U.S. Attorney Murphy thanks the members of his staff who toiled many years to put the case together, as well as the staff members of the FBI who invested significant resources to investigate and help prosecute this fraud.

